

**Clay County, Indiana**  
**2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Clay County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Clay County has two cross-county units. Clay is the major county for Clay Community Schools, which also crosses into Parke County. Clay is the minor county unit for the Clay-Owen-Vigo Solid Waste District, which originates in Vigo County and MSD Shakamak Schools, which crosses in from Greene County.

Clay has no conservancy districts.

**Changes in Local Tax Levies**

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$1.3 million or 6.47%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Clay Community Schools (\$831,040), the MSD Shakamak School Corp (\$184,010).

Clay County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Health	\$160,952	\$191,490	\$30,538	18.97%
Children's Psychiatric Res Treatment	23,943	87,041	63,398	268.15%
Park & Recreation	19,096	24,738	5,642	29.55%

Clay County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$212,784	\$49,476	-\$163,308	-76.75%

Total County levy increased by \$42,261 or 1.34%. Existing cash balances used in Welfare F&C for 2008. Children's Psych Treatment levied up to the max amount for 2008.

Posey Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$3,438	\$20,054	\$16,616	483.30%

Total Township levy increased \$20,725 or 45.32%. Township received a Township Assistance levy appeal in the amount of \$18,640.

Brazil Civil City.

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$940,794	\$303,153	-\$637,641	-67.78%
Loan and Interest Payments	20,295	102,501	82,206	405.06%
Fire Pension	-0-	120,467	120,467	-%
Police Pension	69,991	60,517	-9,474	-13.54%
Sanitation	-0-	368,020	368,020	-%

Total City levy increase of \$137,409 or 8.79%. Debt payments for public works bonds increased in 2008. General fund reduction helped fund increases in levies for pensions and sanitation.

Clay Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$3,269,350	\$3,755,791	\$486,441	14.88%
School Pension Debt	290,345	333,430	43,085	14.84%
Bus Replacement	452,496	760,050	307,554	67.97%

Total School levy increase of \$831,040 or 6.17%. Bus replacement increased for estimated needs in 2008. Debt service increased due to increased debt payments in 2008 from prior year approved obligations.

MSD Shakamak School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$373,940	\$428,353	\$54,413	14.55%
Debt Service	179,967	223,275	43,308	24.06%
School Pension Debt	84,158	63,662	-20,496	-24.35%
Capital Projects	151,592	214,820	63,228	41.71%

Total School levy increase of \$184,010 or 19.05%. Debt service increased due to payments that will be increased for 2008. Capital projects had been used for pension neutralization, but levied higher in 2008.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

**Changes in Real Property Gross Assessed Values**

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	8.74%
Industrial	-26.75%
Commercial	-18.53%
Residential	-0.70%
Exempt	248.29%
Utility	1,256.78%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	31.37%	33.77%
Industrial	3.52%	2.55%
Commercial	10.83%	8.73%
Residential	53.66%	52.74%
Exempt	0.61%	2.10%
Utility	0.01%	0.11%

As can be seen from the analysis, a shift from residential, industrial, and commercial property to agricultural and exempt property occurred. This shift was approximately 3.89%.

### **Change in Net Tax Rates**

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BRAZIL TOWNSHIP	-8.58%	-3.57%	5.48%	9.00%	11.45%	-5.85%
BRAZIL CITY -						
BRAZIL TOWNSHIP	-1.48%	4.81%	6.38%	8.94%	11.89%	-7.02%
CASS TOWNSHIP	4.80%	10.16%	5.11%	8.73%	11.01%	-4.99%
DICK JOHNSON TOWNSHIP	1.40%	5.95%	4.49%	8.08%	10.51%	-7.51%
HARRISON TOWNSHIP	10.97%	15.58%	4.16%	7.71%	10.00%	-7.22%
CLAY CITY TOWN	-3.51%	2.49%	6.22%	9.02%	11.83%	-9.86%
JACKSON TOWNSHIP	-0.28%	4.50%	4.80%	8.57%	10.94%	-6.36%
BRAZIL CITY - JACKSON TOWNSHIP	10.99%	18.05%	6.37%	8.96%	11.94%	-7.01%
LEWIS TOWNSHIP	1.49%	16.11%	14.40%	17.25%	19.39%	5.91%
PERRY TOWNSHIP	10.25%	15.04%	4.34%	7.97%	10.31%	-7.07%
POSEY TOWNSHIP	-2.56%	2.65%	5.34%	9.19%	11.67%	-5.67%
BRAZIL CITY - POSEY TOWNSHIP	-14.08%	-8.16%	6.90%	9.57%	12.66%	-6.24%
STAUNTON TOWN	-4.78%	1.19%	6.26%	9.89%	12.56%	-6.55%
SUGAR RIDGE TOWNSHIP	6.16%	11.12%	4.67%	8.38%	10.76%	-6.55%
CENTER POINT TOWN	-3.30%	1.27%	4.73%	8.15%	10.61%	-7.91%
VAN BUREN TOWNSHIP	-5.00%	-0.45%	4.78%	8.42%	10.76%	-6.99%
CARBON TOWN	-3.81%	1.15%	5.15%	8.53%	10.97%	-7.87%

KNIGHTSVILLE TOWN	-13.33%	-7.71%	6.49%	10.15%	12.50%	-6.77%
HARMONY TOWN	-8.73%	-2.44%	6.88%	10.32%	12.57%	-4.39%
WASHINGTON TOWNSHIP	16.82%	21.98%	4.42%	8.10%	10.44%	-6.91%
Average	0.76%	6.47%	5.92%	9.24%	11.79%	-6.19%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies especially for debt levies that don't benefit from PTRC.

### Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	53.9%	19.0%	23.3%	3.1%	0.7%	0.0%
Industrial	54.4%	12.3%	29.8%	3.5%	0.0%	0.0%
Residential	47.7%	43.6%	5.6%	2.5%	0.6%	0.0%
Overall	48.1%	41.8%	6.9%	2.6%	0.6%	0.0%

### TIF Neutralization Worksheets

The County has Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were not reviewed for numerical accuracy but for logical analysis and completeness.